

# President's News Conference on Foreign and Domestic Issues

Following is a transcript of President Reagan's news conference last night in Washington, as recorded by The New York Times:

## OPENING STATEMENT

Good evening. Please sit down, I have a brief statement here. We have, as you know, set our budget to the Congress and it's a fair and responsible budget and it clearly does the job of putting America on course to a balanced budget through steady declining deficits, as mandated by the new Gramm-Rudman-Hollings law.

Now, last Friday a three-judge panel of the Federal District Court issued a ruling against a portion of Gramm-Rudman-Hollings. We await a final Supreme Court decision. In the meantime, the Court says should or will remove our obligation to bring over-riding under control. Congress shares that obligation. It must meet its responsibility to reduce deficit spending and pass a budget resolution by April 15.

For our part, we have met the targets for lower deficits, but not by cut-

ting Social Security or essential support for low-income persons and not by gutting defense or raising taxes on the American people. We mean to cut unessential spending out of the Federal budget and we mean to leave family budgets alone. All told, our budget meets the deficit targets in part, by cutting about 5 percent from domestic programs. That's 3 cents of the dollar and that's what we're asking Congress to cut.

If Congress can't do that much, well, then, they should at least give us a line item veto, because I'll make the cuts and get the job done. Let's be frank, those who say that our budget is D.O.A. — dead on arrival — are really saying, brace yourself for a tax increase. I think taxpayers want Congress to get its own house in order. I do too, so rest assured that any tax increase in my bill will be V.O.A. — veto on arrival.

## QUESTIONS AND ANSWERS

### Philippine Elections

Q. The observers you sent to the Philippines have just returned with reports that they witnessed fraud and violence. Couldn't this undermine the credibility of the elections and strengthen the hand of the Communist insurgents in the islands?

A. Well, Mike, I'm, I am not going to comment on this process, just as they are not going to render an official report until the counting has finally been finished. I don't think it would be proper to do so.

Yes, they told me, ah, in just an interim few remarks, and made it plain that they are not going to issue the official report yet. But they told me that they had, there was the appearance of fraud, and yet, at the same time, said that they didn't have any hard evidence beyond that general appearance. So we're going to wait. We're neutral. And, ah, we then hope to, ah, have the same relationship with the people of the Philippines that we've had for all of the, these history years. Q. If I may follow up, sir, did what they tell you give you concern about the credibility there and what the impact will be for U.S. interests in the Philippines?

A. Well, I think that we're concerned about the violence that was evident there and the possibility of fraud, although it could have been that all of that was occurring on both sides. But at the same time, we're encouraged by the fact that it's evident that there is a two-party system in the Philippines, and a pluralism that I think would benefit their people. And we're glad to see that particular thing happen and we'll wait until we hear the outcome. Helen?

### Minority Hiring Goals

Q. Mr. President, in the '60s you opposed all the civil rights legislation. But more recently, you said you were a part of the Martin Luther King revolution. Since that, if that is the case, why is your Administration so bent on wiping out the flexible hiring goals for blacks, minorities and women? And I'd like to follow up.

A. Helen, we're not, we're not wanting to do that. But we have, in administering these programs, we've seen that the affirmative action program was becoming a quota system. Now, I've lived long enough to have seen quotas when they were employed long before there was a civil rights movement, when they were employed, in my youth, to definitely discriminate and use the quota as a means of discrimination. And therefore, we feel that, yes, we want affirmative action to continue. We want, we want what I think Martin Luther King asked for. We want a color-blind society. We want the ideal will be when we have achieved the moment when no one, or when nothing is done to or for anyone because of race differences or religion or ethnic origin. And, ah, it's done in, not because of those things, but in spite of them.

### Hiring Goals

Q. Sir, the affirmative action order specifically forbids quotas. And I'd like to say to you, you said if you had been born a black or woman that you would be President today?

A. I didn't think I'd be President today when I was born or many years afterward, but, Helen, the thing — whatever the law may say, and I know what Hubert Humphrey said about it and this is what we're talking about. We were talking about the practice. Not individually and personally, no, but we find down there at the bureaucracy level and out there actually in personnel offices and so on, they chose the easy course, set down a system of numbers and say, well, we'll go by that. And they say, well, we're trying to correct. Now, wait a minute, if you'll let me please do something I haven't done before. Just recently a group of newcomers to your ranks came into the Oval Office and I met them and I thought that since they are newcomers at least as a representative here to start with let me call on a couple of those. I don't even know where you're sitting. Maybe you didn't have your hands up, but just two of them, and then we'll go on with the regular hands up. Dave Beckwith of Time?

### The Money Supply

Q. Thank you, Mr. President. Recently two of your top economic officials, Owen B. Miller and C. Edgar Dwyer, have suggested that the Federal Reserve should be issuing a little more, worrying about inflation in conducting the nation's monetary supply. Do you agree with them that the Fed has been too loose lately?

A. Well, I have to admit that — you

know, it isn't an easy — the tools aren't that sharp that you can manage the money supply exactly where you want it all the time. And it is true that recent figures have shown that their own line on their own budget, they wanted to keep the increase, and sure enough, you saw a couple of percentage points on the low side of the zero of the period added to what has been well under 4 percent inflation rate. So I think this is what they were referring to. We've got to keep our eye on that and keep it there as much as we can.

Now the other one was Walter Robinson, Boston Globe.

### Welfare Changes

Q. Mr. President, in your State of the Union Message last week you said that we need welfare reform and that the true test of a welfare system is in which people get off of welfare. And the day after you said that, the Governor of Massachusetts was in town to talk about a program in his state which has taken 23,000 people, trained them in jobs and taken them off welfare. Is that program and others like it in other states have been made possible by a Federal program work incentive. Now the next day, on Wednesday, you said that you recommended abolishing this program, and I'd like to ask you what that is. A. Well, I don't think that program was really the manner of the way by which the states were doing their job. The program and others like it in other states have been made possible by a Federal program work incentive. Now the next day, on Wednesday, you said that you recommended abolishing this program, and I'd like to ask you what that is.

Q. And so we're training for that specific thing, which has the highest job placement record of any of the employment programs the Government has ever tried. Leslie?

A. Well, I don't think that we're cutting the essential parts. No one looks far enough to see that the small amount of the cut is what you're talking about in the area of that's in administration. No level of government has the high cost administration that the Federal Government has. And then the Federal Government, every echelon of government where they perform a program for the people, the percentage of the government to administer that program is less at the community level, a little less at the state level, and tremendously higher at the Federal level. Now, if we can eliminate some fat, we can handle this. But also, you don't bat a thousand percent in making sure that everyone is deserving. Further, it does not end with this election. We have to continue to work for essential reforms.

To help advise me on how the United States must pursue that task and to assess the desires and needs of the Filipino people, I am asking you to lead a delegation to the Philippines to meet with the leaders of both political parties, with church and Government officials, and with representatives of private-sector groups.

Americans can never be indifferent to events in the Philippines. Our two countries have too much at stake in the national interests converge. Our peoples bear genuine affection toward each other. Most important, our peoples share democratic aspirations. Those ties between our peoples will continue.

First, it is a disturbing fact that the election has been flawed by reports of fraud, which we take seriously, and by violence. This concerns us because we cherish commitment to free and fair elections and because we believe the Government of the Philippines needs an authentic popular mandate in order effectively to counter a growing Communist insurgency and restore health to its troubled economy.

And second, the election itself, the obvious enthusiasm of Filipinos for the democratic process and the extraordinary vigor of the campaign also tell us something. They tell us of the profound yearning of the Filipino people for democracy, and indeed the vigor of the underlying forces of pluralism and democracy. Only the Communists boycotted the election.

The political process in the Philippines continues. Further, it does not end with this election. Our task for the future is to help nurture the hopes and possibilities of democracy; to help the people of the Philippines overcome the grave problems their country faces, and to continue to work for essential reforms.

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while this vote count is still going forward. Now, Chris.

### Soviet Dissidents

Q. Mr. President, the Soviets today released dissident Anatoly Sharansky. But of course there are thousands of other Soviets who would like to leave that country that the Soviets won't leave. Do you regard today's release as a propaganda move or do you see any real change in the human rights situation in the Soviet Union?

A. Chris, I don't have any way to determine what their motives are in doing this. I only know that since the General meeting there has been not only this but others released, more so than in a great many years. I'm encouraged by this because I did talk a great length about the matter of human rights with the General Secretary and all we can do is hope that this is a beginning, a sign for what's going to continue to take place.

Q. If I may follow up, Sir, Mr. Gorbachev says that he cannot release another leading dissident, Andrei Sakharov, because of his knowledge of Soviet nuclear secrets. Do you see any legitimacy to that argument?

A. Well, it's an argument they've used for a number of people, people who have in their estimation been close to some things that they feel are secrets for their own security and that they have said that they cannot let people go that have access to those secrets. Now, I have no way of judging how valid that is, but as I say, they've made a start and I hope it is just a start and that they'll continue. Ralph?

### Policy on Haiti

Q. Mr. President, did the United States play any role in President Duvalier's decision to leave Haiti? And the second question, if I may, Mr. President, do you intend to increase economic aid to the new government there?

A. Well, we are just faced now with what we do. I can only tell you that we, we hope we can be of help, as this interim government goes forward to try to institute democracy there in Haiti. Ah, our participation in this, Duvalier's leaving was that of providing an airplane to fly him to France when he was asked to leave.

Q. But sir, you know that many people will accuse you — black college enrollment is way down, a lot of middle-class families with nervous children find it much harder to send their children to college — and why won't you that you slow the economic tide and that it will offset that?

A. Because it's historic that when you go above a certain percentage in taking revenue from the private sector — government taking revenue from the private sector — you find that you slow the economic tide. And that's why the latest evidence of this is that our tax program, once instituted, I think is the principal reason for the 38 straight months of economic recovery that we have had. Sam.

### Care for the Aged

Q. Mr. President, you ah, spoke last week about one of the great fears of the American people as they grow older, that their lifetime of savings and investment will be wiped out by catastrophic illness. And government and private studies suggest that the real risk of catastrophic, of being wiped out by catastrophic illness, lies not in the hospital and the doctors' bills but in long-term chronic care like nursing homes. Are you willing to open the Social Security system, the Medicare system, to pay for nursing home care for the chronically ill elderly?

A. I have asked, I can't answer your question yet because I've asked you a question as to how we could say that the total catastrophic thing for people who have need. And as I said, I've asked you a question that I thought would have worked soundly in California and we couldn't get any public interest in it and it would be provided, unless it was through a private insurance coverage so that there wouldn't have been any, and I think that's the answer.

Q. Mr. President, do you rule out the use of general tax revenue to support premiums to, to a plan to support nursing home care?

A. Well, the plan that we had in mind was that individuals that, ah, the cost was so low that the individuals could meet the premium cost of that. And if there were some people that couldn't, why, I'm quite sure, as we help in anything else, we would, we would help in that too.

### Flights Near Libya

Q. Mr. President, the United States says it is beginning to resume the flight operations in the Mediterranean near Libya. Do you believe that — and it's also designed to reassure our rights to patrol international waters — why then haven't we crossed that line that Qaddafi calls the death line?

A. Well, I don't know the nature of the operations that have been conducted. They conduct them in various parts of the Mediterranean. I don't know that they're all through yet. We have conducted operations there, early on in my Administration, in which I was informed because they thought I should be that he had ordered that that was their waters which was akin to us claiming all of the waters from the tip of Florida to the border of Mexico and Texas, and that some of the maneuvers would entail some planes and some ships crossing that line, but not getting into the waters. And I gave the go-ahead on that, and I would again, I don't know they didn't cross it in any way this time — it must have been because the maneuvers did not call for it.

Q. Do you think though that resuming the operations at this time might be tantamount to Qaddafi's hand helping him project the image that he wants to that he's being picked on by the U.S.?

A. Well, it didn't add to his image the first time we did it, and as I say, it would be done not for any impression on him; it would be done because simply we believe that our squadrons were there. The Navy is going to have exercises and keep itself in fighting shape.

And I'm going to call on — not because it was a red dress on — but just because you caught my eye.

### Corporate Takeovers

Q. And because it's Nancy's favorite designer. Mr. President, in view of

the many corporate mergers going on, both friendly and unfriendly, and in view of the fact that in a few years we perhaps could wind up with only a handful of billion-dollar conglomerates, would the Administration plan to propose or support any legislation to limit some of these mergers, which are getting a little bit out of hand?

A. Well, I can't comment on whether they're getting out of hand or not, but I do know that we have a body of law that offers us all the protection we need. In fact, I think as we've expanded into a world competing some of that law has been overprotected. We have to recognize now that we're not just dealing with competition within our own borders but competition with firms from outside the borders. And, no, I don't believe that there's any threat or danger of monopoly control here in our land at all. And I don't think there is.

### Pentagon Waste

Q. Mr. President, why did you so strongly denounce — why did you so strongly denounce the misrepresentation of Secretary Weinberger as being wasteful and the cartooning of him with a toilet seat around his neck while at the same time you were rewarding the very newspaper that did this by giving them an exclusive interview yesterday?

A. Well, I've given others exclusive interviews. I try to do that when it's possible in our limited time to do. And it was an opportunity due to the question that was asked. And it is the out of the injustice of this, because we didn't buy any \$800 toilet seat. We bought a \$800 plastic cover for the entire toilet system. And it is the same thing. It is the same thing that is used in the commercial airlines, and they pay the same kind of money that we have to pay for it. So I thought it was a pretty good place to make it.

### Public Broadcasting

Q. On the same subject of your media awards, why is it that there is such a need to save money, in public Public Broadcasting being reauthorized with \$3 million a work in title, in the Duvalier's leaving was that of providing an airplane to fly him to France when he was asked to leave.

A. No, I can't answer for that, a to why they make their decision of their programming or not. I wouldn't get into that. I wouldn't get into the speech that he made about me in Los Angeles a few weeks ago. Let me get back over here. Yeah.

### Policy on Philippines

Q. Mr. President, your previous answer on the Philippines election left the impression that no matter what goes on in the election, the United States will accept the outcome. You haven't mentioned to say that an unprecedented fraud is going to be accepted by the United States, did you, Sir? Is there some limit to that, to where we stop?

A. No, I said that we're depending on the Filipino people to make this decision. This is their election and we'll wait and see what the final count determines.

Q. But if it's quite obvious and even some of the observers from your own commission are indicating that, if it's quite obvious that it's been a total fraud, the United States isn't going to accept the outcome just as it is, are they?

A. Yes, I'm asking me one of those "If" questions. And I'm not going to answer "If" questions. I took my pat from from the Delia Delia when he was President and he held his first press conference and he said, "I will set down one ground rule, which he never violated. He said, 'I will not answer any 'If' questions.'"

### Summit Meeting

Q. Mr. President, some within your Administration are reported to be growing impatient with what they see as Soviet foot-dragging for setting a date for this year's summit. Do you share in that impatience?

A. Well, I'd like to have it pinned down. They haven't come up with any other date. They mentioned another period, we informed them that that was going to be running on a continuing election and we would prefer the earlier date. But, no, we haven't seen any evidence that they're trying to get out of this or anything of the kind, because they've already invited us, invited me there for one in 1987.

Q. So in your view, there's no thought that possibly Mr. Gorbachev may be trying to win some concessions on arms control in exchange for an agreement on a date?

A. I don't think so. That kind of linkage wouldn't work.

### Bush's Beliefs

Q. Mr. President, various Republicans who would like to succeed you, including the Vice President, have been spending a lot of time lately going to various conservative groups trying to get their seal of approval. In your view has George Bush been politically and philosophically consistent over the years?

A. Well, you're asking a fellow who was once a liberal New Deal Democrat to go to a conservative group. So sometimes we do change our minds with things that have gone on. But I just want you to know that I've been heart and soul in support of everything that we're trying to do, and I'm sure of his sincerity in supporting all of those measures.

Q. I'd like to follow up. On Mr. Bush's reluctance to discuss any issues which the two of you may have differed privately since you have been President, could you tell us how much of that was a red dress on — but just because you caught my eye?

A. Oh, he is — I can't — one of the reasons I couldn't answer specifically

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